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RELEASE

SALE OF AGGREGATE 13% INTEREST IN WA-342-P (CORNEA) PROPOSED CAPITAL RAISING BY EXOIL SECURING OF LOAN FACILITY

Exoil Limited (**NSX Code: EXX**) advises that it has agreed to sell an aggregate 13% interest in WA-342-P in two separate transactions. An 8% interest is being sold to Octanex N.L. (**NSX Code: OCT**) for a consideration of AUD\$1,928,000 and a 5% interest is being sold to Auralandia N.L. for a consideration of AUD\$1,205,000. Mr Albers, a director and shareholder of Exoil, is a shareholder and director of both Octanex N.L. and Auralandia N.L. WA-342-P is soon to be the subject to an appraisal well (Cornea-3). Exoil will retain a 16.75% interest in permit WA-342-P.

Exoil plans to make a one for one non-renounceable entitlements issue to its Members of up to 50,775,263 new Shares at an Issue Price of \$0.10 (10 cents) each ("Shares") based on one new Share being offered for every ordinary share in the Company on issue at the record date to determine entitlements to the Issue ("the Offer"). The Offer proposes to raise up to AUD\$5,077,526.

Every Share subscribed for under the Offer will have an accompanying free option to acquire an ordinary share in the Company at an exercise price of \$0.12 (12 cents) and exercisable at any time up to 30 June 2011 ("Options"). Every Option exercised will have an accompanying free option to acquire an ordinary share in the Company at an exercise price of \$0.20 (20 cents) exercisable at any time up to 30 June 2015 ("Contingent Options").

The Offer will be underwritten by interests associated with Mr Albers, a Director of Exoil, to an amount of AUD\$3,077,526 ("Underwritten Amount").

A term of the sale of each of the above interests is that interests associated with Mr Albers procure for Exoil a Loan Facility of up to AUD\$2,000,000, being that amount which is the difference between the Underwritten Amount and the full amount of the Offer (AUD\$5,077,526), with any funds drawn down under that Loan Facility being secured by way of a first ranking mortgage debenture charge over Exoil and its assets. The Loan Facility is being provided by Mr Albers' private interests. The terms of the Loan Facility and associated security are more favourable to Exoil than would otherwise be available on normal commercial terms.

The sale of the aggregate 13% interest in the WA-342-P permit and the Cornea appraisal project, together with the proposed new Issue (partially underwritten) and the Loan Facility, will provide Exoil with sufficient funds to enable it to meet the anticipated costs of its 25.375% interest in Braveheart-1 well and the anticipated costs of its then remaining 16.75% interest in permit WA-342-P in drilling the Cornea appraisal well.

The sale of the 13% interest will be subject to approval of the Members of Exoil in General Meeting.

A further announcement of the timing of this meeting will be made in due course.

WA-342-P is located on the Yampi Shelf part of the Browse Basin, offshore from Western Australia (see Figure 1 attached) and contains the known Cornea oil and gas accumulation discovered in January 1997 with the drilling of the Cornea-1 discovery well.

Cornea – A summary of prior exploration activities

The initial Cornea discovery was drilled by Shell Development Australia Pty Ltd (“Shell”) on an unfaulted drape anticline over a basement high on the Yampi Shelf. The well resulted in a discovery of a gas cap that was clearly visible on seismic (see Figure 5) and an oil leg, both within Early Cretaceous, Middle to Early Albian shallow marine, glauconitic, argillaceous, bioturbated sands of the Jamieson Formation (designated the Upper Heywood Formation by Shell).

Over the following two years, Shell conducted appraisal drilling of the Cornea South, Central and North closures. This exploration effort included nine wells and two sidetracks, of which two wells did not reach their intended target and were sidetracked or re-spudded. As well as wireline logging, conventional core was obtained in Cornea-2ST1 and Cornea South-1 wells in the Middle Albian reservoir and in basement in Stirrup-1. These cores proved invaluable for defining reservoir properties, as the glauconitic and argillaceous nature of the reservoir sands inhibited evaluation using conventional logging tools. Shell defined several reservoir sand units that they referred to as A, B, C, D Denticulata and E within the Middle to Early Albian Jamieson Formation of which the B, C and E sand units have the best reservoir properties.

Shell were able to accurately define the gas oil contact for the Cornea Field from sonic and density logs at 745mSS LAT in Cornea North, 760mSS LAT in Cornea Central and 770mSS LAT in Cornea South. However, evaluation of the oil leg proved problematic for Shell as resistivity logging was affected by the glauconitic and argillaceous nature of the reservoir, and the poorly consolidated reservoir sands affected good formation pressure readings. Shell obtained several oil samples and were able to define a deepest known oil for Cornea Central in the Cornea-1 well at 782.2mSS LAT, but this was from the Denticulata sand unit which may not be connected to the overlying B and C sand units. The Cornea-1B well obtained an oil sample from the C sand unit at 778.3mSS LAT, giving an oil leg of at least 18.3m in the B and C sand reservoirs and possibly 22.2m if connected to the deeper Denticulata sand unit. In Cornea South, an oil sample in Cornea South-2ST1 defined the deepest known oil as being at 777mSS LAT, giving a minimum oil leg of 7m. A drill stem test was conducted at Cornea South-2ST1, but due to poor sand screening the electrical submersible pump became blocked and the test was compromised, although 14.4BFPD of 50% oil and 0.3MMCFPD gas were obtained.

The gas caps for Cornea South and Cornea Central are not thought to be connected but, from the present dataset, it is not known if the oil legs are in communication. Shell estimated the free water level for Cornea-1 and Cornea-1B at 789mSS LAT, but this was based on poor pressure data and was not considered reliable. Shell was not able to define the thickness of the transition zone between oil and water in Cornea Central.

Although Shell had acquired over 2000km² of 3D seismic over the Cornea field it was not processed to remove multiple energy and consequently was not suitable for making accurate maps. As a result none of the appraisal wells were optimally located to test the best reservoir intervals within the oil leg.

The results of the Shell appraisal programme did not come up to their expectations or justify the large bid they made to obtain that part of the Cornea Field outside their permit WA-241-P. Shell subsequently dropped the permits with a significant number of bid wells un-drilled.

Recent evaluation of the Shell data set, including reprocessing of 1000km² of the Cornea 3D, has indicated that significant oil resources may exist within the better quality B, C and E sand units that could be developed with multi lateral, horizontal wells. Before such a development can be considered, the production flow rates of these reservoirs need to be proved, as does the location of the transition zone and free water level.

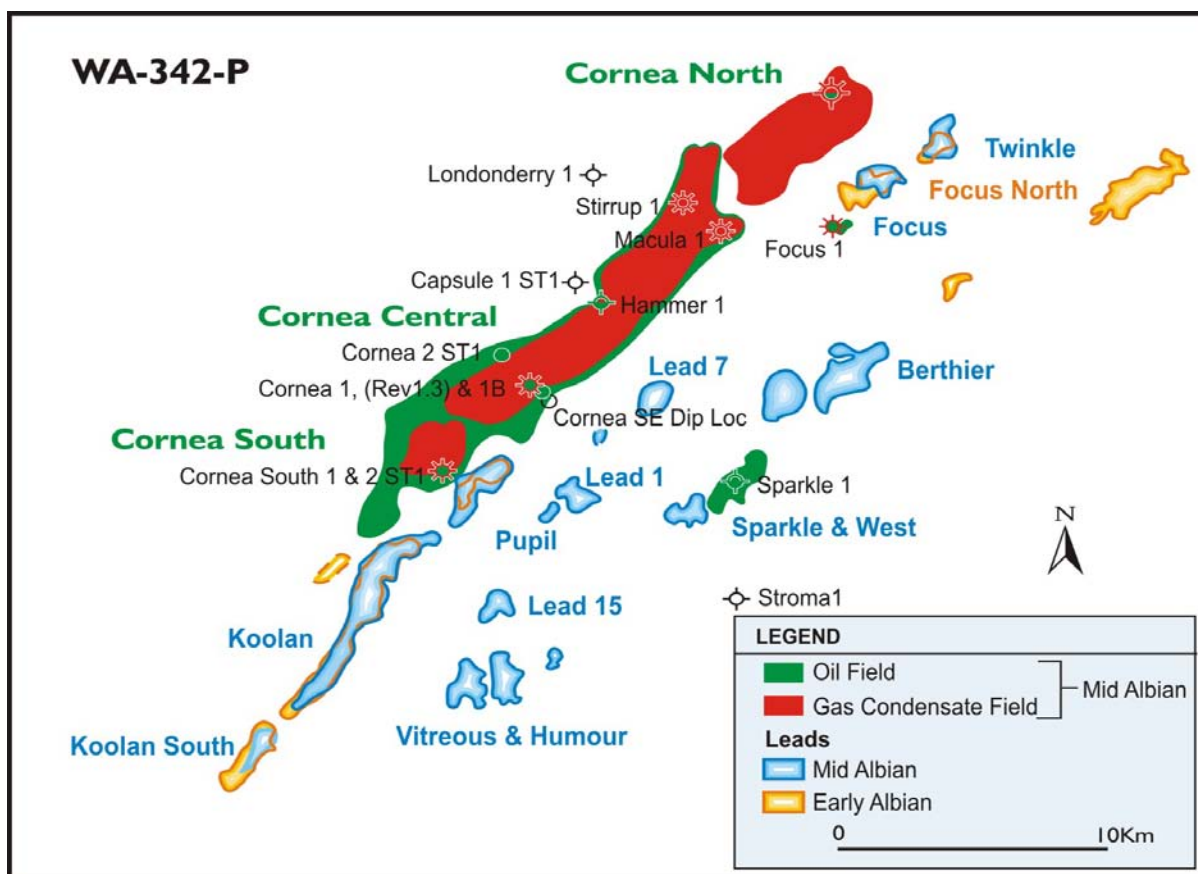
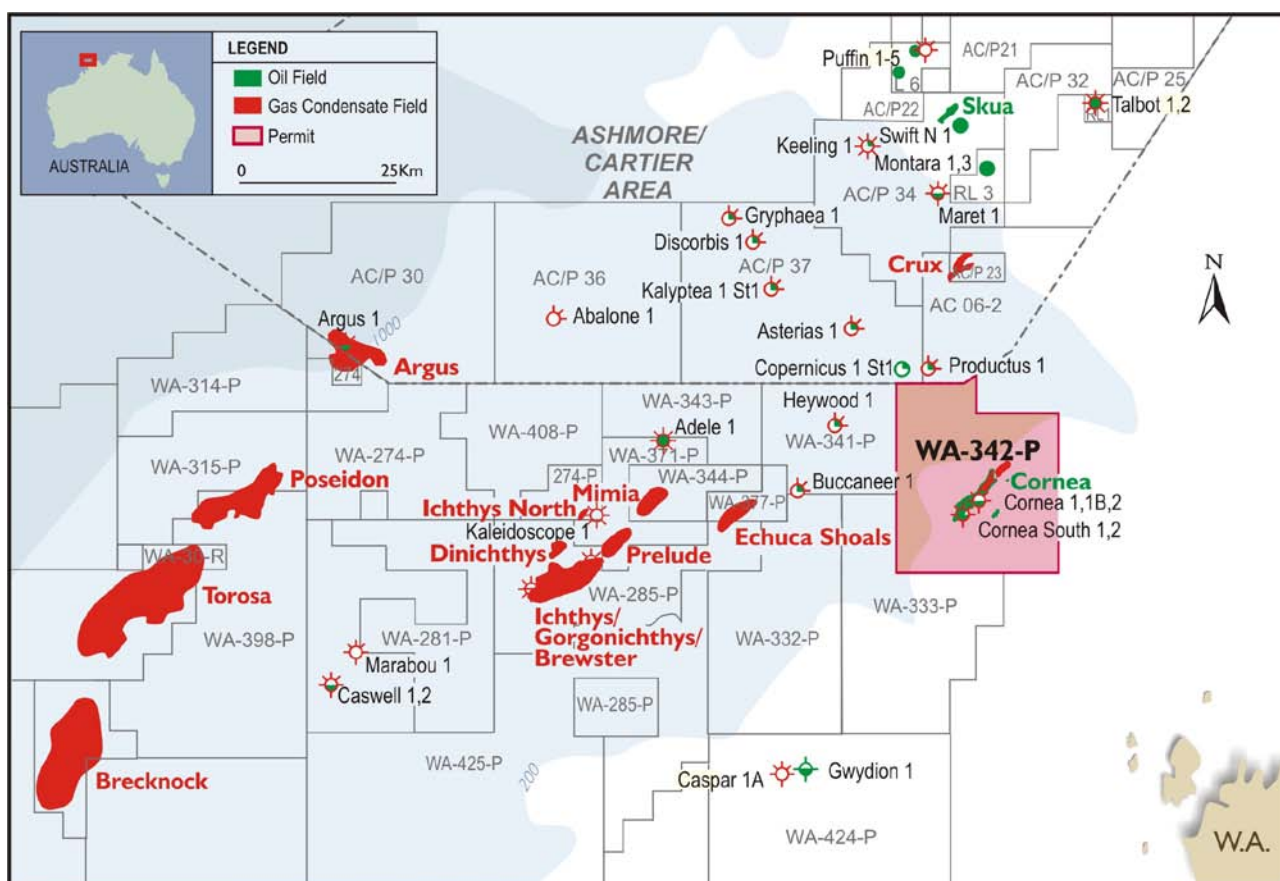
Summary of Cornea-3 Objectives

The purpose of drilling Cornea-3 is to facilitate the acquisition of modern, high quality nuclear magnetic resonance (NMR) logs within the Middle and Early Albian reservoir sands so as to obtain more accurate information on reservoir porosity, especially productive porosity, and permeability, as well as hydrocarbon saturation and the location of the transition zone and free water level. Part of the evaluation planned for Cornea-3 includes the acquisition of better formation pressure measurements and formation fluid samples with an MDT tool, including possible flow tests using a dual packer MDT. If the results of the NMR and MDT tools are encouraging, a drill stem test with flow to surface will be undertaken. Data from Cornea-3 well will then be used to evaluate the commerciality of the field and, ultimately, will set the scene for a field development plan, if appropriate.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J.G. Tuohy', written in a cursive style.

J.G. Tuohy
Company Secretary
4 November 2009



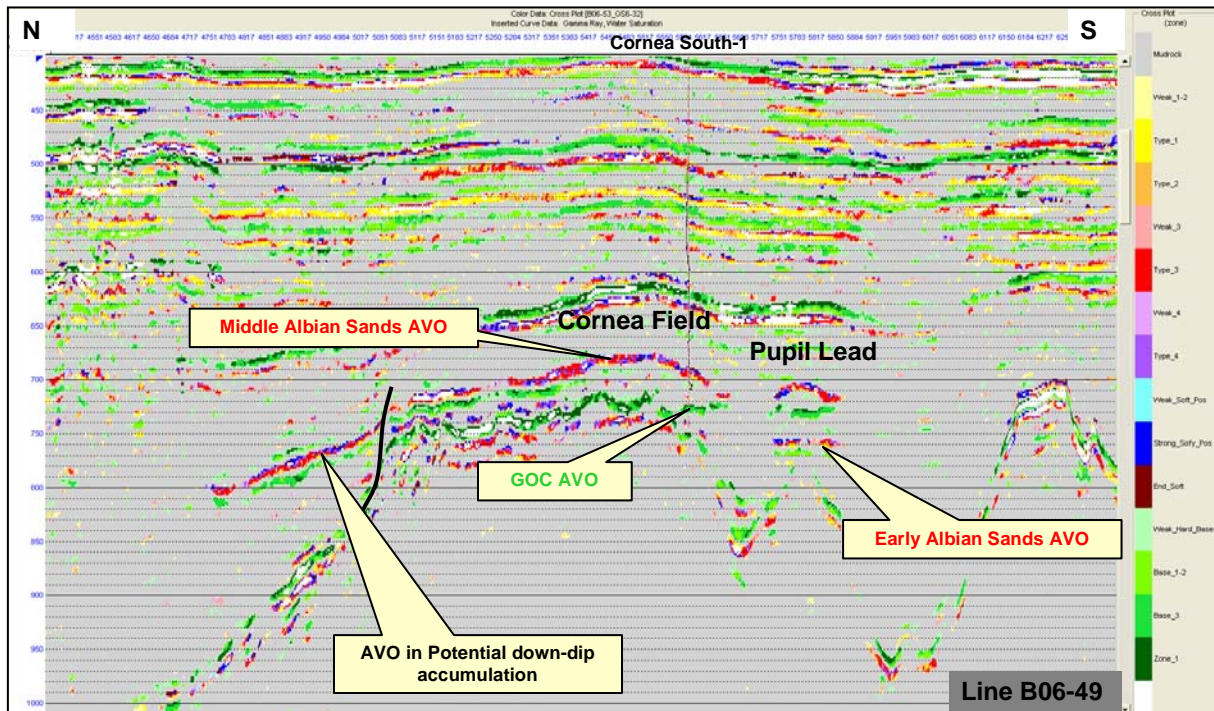


Figure 3 – Cornea Field and Pupil Lead, Seismic Line B06-49 showing stacked Albian and Aptian AVO anomalies.

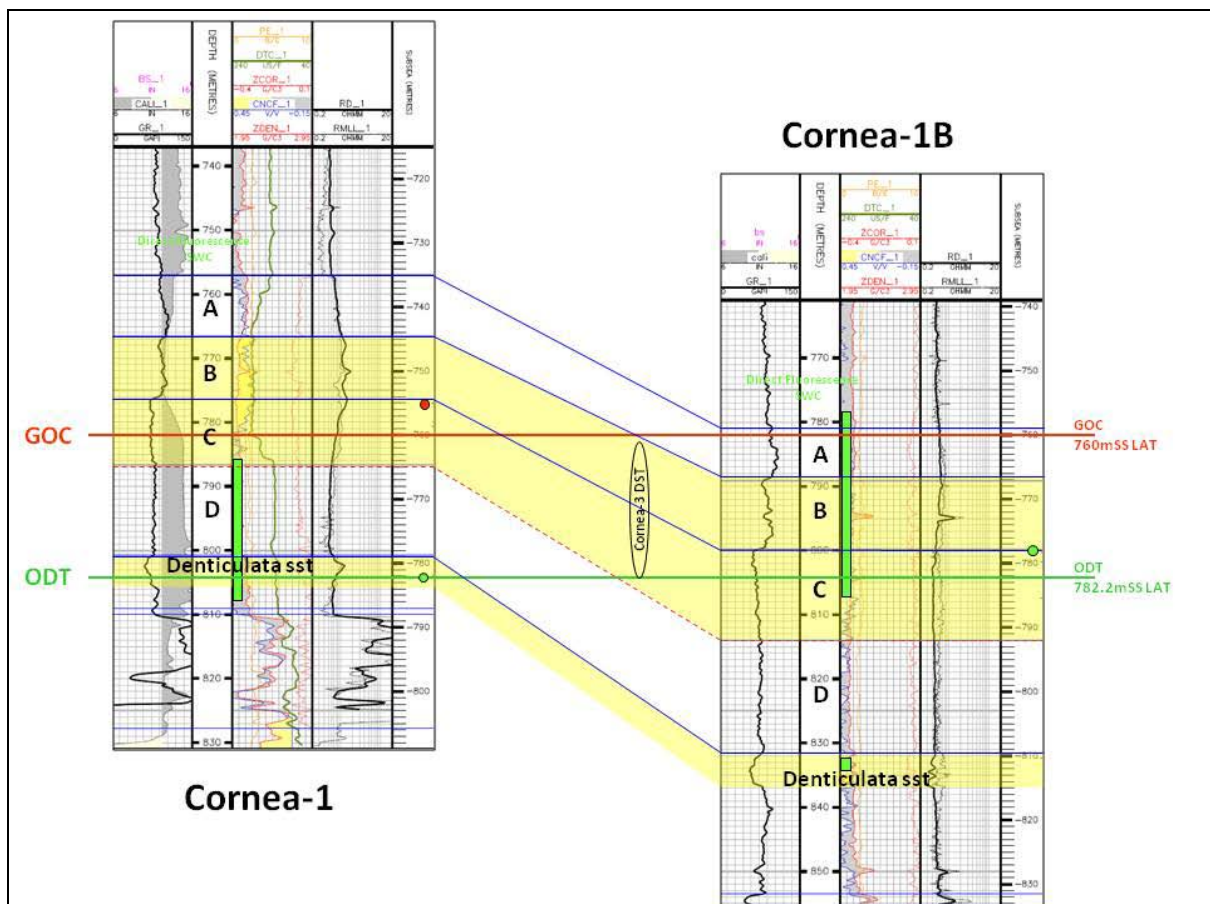


Figure 4 – Cornea-1 and Cornea-1B Stratigraphic Profile showing conceptual Cornea-3 DST Location

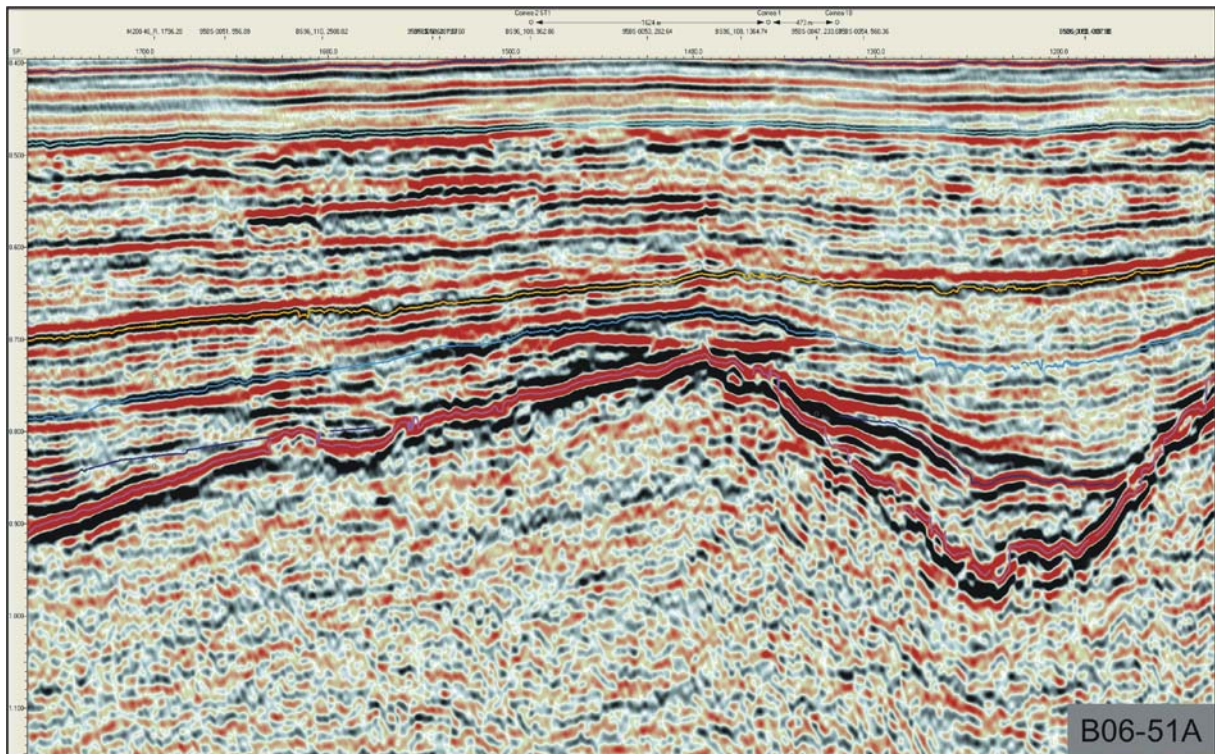


Figure 5 – Cornea DHI

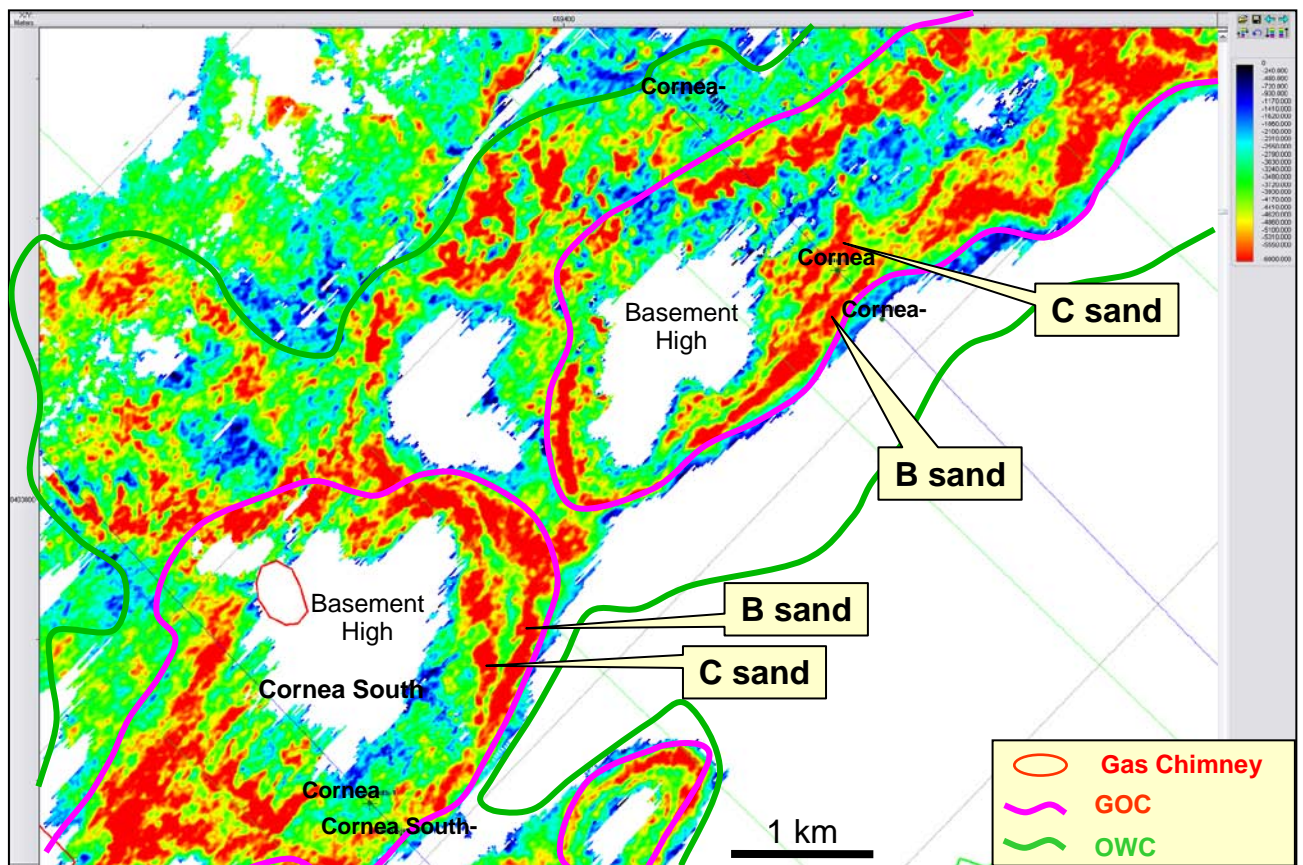


Figure 6 – Cornea seismic Amplitudes at Gas-Oil Contact showing continuity of better B & C reservoir sands

Other Leads in WA-342-P

Pupil, Koolan North, Koolan, Koolan South Leads (see Figure 2)

On reprocessed Cornea 3D seismic, similar Albian sandstone drape features have been recognised in the Pupil, Koolan and Koolan South leads in a basement high trend, parallel with the Cornea Field. These drape leads occur over lower basement topography than in the Cornea structure and, as such, also have the better quality Early Albian to Aptian sandstone reservoirs draped over basement, with the intervening seal interpreted to be intact as has been proved in the Focus-1 oil discovery within WA-342-P. This potentially allows stacked hydrocarbon pools, as indicated by the AVO anomaly in the Pupil Lead.